

Message Text

LIMITED OFFICIAL USE

PAGE 01 BUENOS 00140 091434Z

43

ACTION TRSE-00

INFO OCT-01 ARA-06 ISO-00 AGR-05 CIAE-00 COME-00 EB-07

INR-07 LAB-04 NSAE-00 RSC-01 SP-02 STR-01 CIEP-01

FRB-01 OMB-01 L-02 H-01 /040 W

----- 105556

R 091407Z JAN 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 9436

LIMITED OFFICIAL USE BUENOS AIRES 0140

E.O. 11652: N/A

TAGS: ETRD, AR

SUBJECT: COUNTERVAILING DUTIES: ARGENTINE FOOTWEAR

REF STATE 1272

1. ACTING ECONOMIC COUNSELOR ON JAN 7 CONVEYED SUBSTANCE OF REFTEL TO SUBSECRETARIO VARTALITIS. HE EXPRESSED GREAT DIS-APPOINTMENT AND SURPRISE THAT WHAT HE SAID HE HAD BELIEVED PREVIOUSLY, THAT GOVERNMENT FINANCING HAD NEVER BEEN HELD COUNTERVAILABLE, WAS NOT TRUE. COMMENT: EMBASSY HAS CONSISTENLY ASSURED VARTALITIS AND OTHER GOA OFFICIALS THAT ANY GOVERNMENT TRANSFER OF RESOURCES TO EXPORT INDUSTRY COULD BE COUNTERVAILABLE.

2. VARTALITIS SAID DETAILED PROGRAM FOR CIFEN OPERATIONS STILL NOT WORKED OUT BUT BASICALLY THE PROCEDURE WOULD BE FOR PRIVATE FIRM TO NEGOTIATE CONTRACTS WITH US BUYERS. HOWEVER, INVOICE AND PAYMENT DOCUMENTS WOULD BE MADE IN NAME OF CIFEN. CIFEN WOULD RECEIVE DOLLAR PAYMENTS AND WOULD PAY ARGENTINE FIRM IN PESOS. THE VITAL DETAILS, SUCH AS EXCHANGE RATE AT WHICH PAYMENT WOULD BE MADE AND WHETHER PAYMENT WOULD BE MADE ONLY AFTER CIFEN'S RECEIPT OF PAYMENT FROM AMERICAN BUYER, ETC., HAVE NOT BEEN WORKED OUT. IT IS CONTEMPLATED THAT CIFEN WOULD GRANT FINANCING ON SIMILAR TERMS THAT CENTRAL BANK NOW GRANTS PREFINANCING TO EXPORTERS OF MANUFACTURED

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUENOS 00140 091434Z

PRODUCTS. THIS FINANCING WOULD BE 5 YEARS ON 65 PERCENT OF FOB

VALUE OF EXPORTS AT 8 TO 10 PERCENT PER YEAR. PURPOSE OF FINANCING WOULD BE TO GIVE FIRMS AN ASSURED FLOW OF WORKING CAPITAL.

3. VARTALITIS SAID GOA IS TRYING TO FORMULATE A SYSTEM BASED ON PRINCIPLES ALREADY ACCEPTED BY TREASURY, SUCH AS BRAZILIAN SYSTEM PLUS COLOMBIAN CUT FLOWERS CASE. HE EXPRESSED HOPE THAT USG WOULD NOT "DISCRIMINATE" AGAINST ARGENTINA BY REFUSING TO ACCEPT IN ARGENTINE CASE PRINCIPLES WHICH HAVE BEEN APPROVED BY TREASURY IN OTHER CASES, SUCH AS GOVERNMENT FINANCING IN COLOMBIAN CASE.

4. VARTALITIS SAID THAT SPECIFIC PROVISION ON FOOTWEAR IN TRADE BILL HAD CAUSED "DEEP SHOCK" WITHIN MINISTRY OF ECONOMY, SINCE IT SEEMED DIRECTED SPECIFICALLY AGAINST ARGENTINA.

5. HE SAID THAT IN VIEW OF FRIENDLY RELATIONS BETWEEN THE US AND ARGENTINA, GOA WOULD WELCOME SUGGESTIONS FROM USG AS TO HOW THE PROPOSED SYSTEM COULD BE ADAPTED SO AS NOT TO CONFLICT WITH US LAW AND AS TO WHICH OF PROPOSED ACTIVITIES OF CIFEN MIGHT NOT BE COUNTERAVAILABLE. WOULD APPRECIATE RESPONSE ASAP. DECON 1/8/76.
BEAL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE LAW, POLICIES, COUNTERVAILING DUTIES, SHOES
Control Number: n/a
Copy: SINGLE
Draft Date: 09 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BUENOS00140
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750009-0135
From: BUENOS AIRES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750167/aaaacgmx.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 1272
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 03 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 SEP 2003 by CunninFX>; APPROVED <11 SEP 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COUNTERVAILING DUTIES: ARGENTINE FOOTWEAR
TAGS: ETRD, AR, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006